



National  
Philanthropic  
Trust

*Your partner in giving*

**2012**  
**Donor-Advised  
Fund Report**

*This report was prepared by National Philanthropic Trust under the guidance of Eileen R. Heisman, President and CEO, Andrew W. Hastings, Vice President of Business Development and NPT's Communications Department. Melissa S. Brown of Melissa S. Brown Associates, LLC provided additional analysis and writing services. NPT gratefully acknowledges all of the organizations that shared their donor-advised fund related statistics and information.*

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# Introduction

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Dear Colleague:

National Philanthropic Trust is pleased to release our sixth annual Donor-Advised Fund Report. This report has developed into the preeminent information source on the donor-advised fund market—a point of pride and serious responsibility.

In this year's report, which uses 2011 data, we analyzed the donor-advised fund market through the lens of several metrics: number of donor-advised fund accounts, total assets, contributions received, grants paid, average donor-advised fund account size and payout rate. Several of these measurements reached new heights in 2011, including a record high in the dollar amount of grants from donor-advised fund accounts.

Other metrics also demonstrated donor-advised fund growth of the past year, with most measurements coming in at or above pre-recession (2007) figures. There was significant growth in assets in donor-advised fund accounts, which total \$37 billion. While it is difficult to track the reasons for this growth with certainty, it is likely linked to an increase in the number of new donor-advised fund accounts—which is also a reflection of increased ease in starting and using a donor-advised fund account—increased contributions to existing donor-advised fund accounts, strong stock market performances and improved economic conditions.

The 2012 Donor-Advised Fund Report shows, among other things, that:

- Donor-advised fund accounts at National Charities are leading the way in the majority of metrics, including total assets, contributions and grants. Assets in donor-advised fund accounts at National Charities make up more than half of the total assets across all charity types.
- Donor-advised fund accounts at Community Foundations are showing growth after lagging the past few years, during and immediately after the recession. Assets in donor-advised fund accounts at Community Foundations are back to pre-recession levels.
- Donor-advised fund accounts at Single-Issue Charities have largely stabilized in the number of accounts and assets, returning to pre-recession levels. This type of charitable sponsor is experiencing slower rates of growth than are the other types of donor-advised fund sponsor.

In 2011, contributions to donor-advised funds accounted for more than three percent of total charitable giving in the United States. The payout rate from donor-advised fund accounts also remained strong, staying above 17 percent. One thing is clear from these numbers and those on the following pages—donor-advised funds are a major factor in the philanthropic sector. We expect that trend to continue in the coming years.

National Philanthropic Trust is pleased to make this report available to our colleagues and the public.

Sincerely,



Eileen R. Heisman  
President & CEO

# About This Report

## Purpose and Scope

This report provides an up-to-date analysis of the donor-advised fund market. It is based on data collected during the second and third quarters of 2012 about donor-advised funds and charitable sponsors in fiscal year 2011.

National Philanthropic Trust (NPT) studied 652 charitable organizations that administer donor-advised funds. Data in this report come primarily from public information returns (IRS Form 990), which fund sponsors filed with the IRS. Additional data came from audited financial statements, annual reports, organizational websites and news releases. A breakdown of the organizations appears in the box at right.

Estimated charitable contributions in the United States in 2011 totaled \$298 billion.<sup>1</sup> Of those contributions, donor-advised fund accounts received \$9.64 billion, or 3.2 percent of the total charitable giving for the year.

National Charities that sponsor donor-advised funds (National Charities) received an estimated \$4.75 billion in contributions in 2011, or 1.6 percent of all charitable giving in the United States. Community Foundations that sponsor donor-advised funds (Community Foundations<sup>2</sup>) received about \$2.39 billion, or 0.8 percent of all charitable giving in the United States in 2011. Single-Issue Charities that sponsor donor-advised funds (Single-Issue Charities) received \$2.5 billion, or 0.8 percent of all charitable contributions in the country in 2011.

In turn, grants to charitable organizations from donor-advised fund accounts totaled \$7.7 billion. This marks the fifth consecutive year in which grants from donor-advised fund accounts have been more than \$6 billion, and the first year ever that the total exceeds \$7 billion.

### Charitable Sponsors Examined in this Report

**43**  
*National Charities*

**373**  
*Community Foundations*

**236**  
*Single-Issue Charities*

## Changes in This Edition

In the last Donor-Advised Fund Report, we evaluated data from 478 charitable sponsors. In this analysis, we include 652 charitable sponsors—an increase of 36 percent.<sup>3</sup>

The newly identified charitable sponsors primarily include Community Foundations or Single-Issue Charities. We are able to provide a larger data set as new IRS Form 990 asks organizations to report on donor-advised funds separately. In addition, some charitable sponsors contacted us to provide information for the report. Further, we used database tools, including GuideStar, to identify additional fund sponsors and collect data from them.

1. Giving USA 2012

2. According to the Foundation Center, there were 734 grantmaking Community Foundations in the United States in 2010 (Foundation Center, Key Facts on Community Foundations, August 2012). NPT focused on data collection from Community Foundations holding the largest values in donor-advised fund assets.

3. NPT reviewed data for a total of 652 organizations from 2007 to 2011. Over that time, some programs closed and new ones opened. For this report, we used data from 646 of those organizations. We have also revised figures from previous years to reflect the new data.

## A GLOSSARY OF TERMS

### **Assets**

The amount charitable sponsors hold and manage in donor-advised fund accounts. Some charitable sponsors manage other types of funds as well. This report is limited to assets in donor-advised fund accounts.

### **Charitable Organization**

A tax-exempt organization registered with the IRS and recognized under Section 501(c)(3) of the Internal Revenue Code. Donations to a charitable organization are tax deductible to the donor, when the donor claims deductions on income taxes. A charitable organization serves broad public purposes in educational, religious, scientific, and artistic fields, among others, as well as the relief of poverty and other public benefit activities. In the context of this report, a charitable organization can be either a charitable sponsor of donor-advised funds or the recipient of a donor-advised fund grant.

### **Charitable Sponsor**

A tax-exempt charitable organization that manages donor-advised fund accounts. Charitable sponsors provide services to ensure that potential grant recipients are qualified charitable organizations and administer donor-advised fund accounts to ensure compliance with all regulations. Also called sponsoring charity or fund sponsor.

### **Community Foundation**

A tax-exempt organization that raises funds from the public. Most Community Foundations, both trust and corporate forms, qualify as publicly-supported charities under IRC 509(a)(1) and 170(b)(1)(A)(vi). It is a philanthropic institution with a long-term goal of engaging many separate donors to carry out charitable interests for the benefit of residents of a defined geographic area, typically no larger than a state.

### **Contribution**

Amount a donor deposits into a donor-advised fund account when establishing the fund or adding money to it.

### **Donor-Advised Fund**

A philanthropic giving vehicle administered by a charitable sponsor. A donor-advised fund allows donors to establish and fund the account by making irrevocable, tax-deductible contributions to the charitable sponsor. Donors then recommend grants from those funds to other charitable organizations.

### **Grant**

A transfer from a donor-advised fund account to a qualified charitable recipient.

### **National Charity**

A tax-exempt organization with national reach in fundraising and grantmaking. National Charities include independent organizations, such as National Philanthropic Trust, and other charitable organizations affiliated with financial institutions.

### **Payout**

The percentage of total assets at the end of one year that any one type of charitable sponsor or all charitable sponsors grants from donor-advised fund accounts.

### **Private Foundation**

A tax-exempt organization recognized under Section 501(c)(3) of the Internal Revenue Code formed and controlled by a donor or small group of donors for the purpose of distributing money to charitable organizations or individuals. In this report, corporate foundations are not included in the definition.

### **Single-Issue Charities**

A tax-exempt organization that works in a specific topic area. Some common Single-Issue Charities include universities, Jewish federations, other faith-based charities, and issue-specific charities, such as those in the environmental, social justice or international relief arenas.

# Market Overview

## In 2011, Donor-Advised Funds Grew Despite Slow Economy

From 2010 to 2011, the U.S. economy grew 1.8 percent, after adjusting for inflation. This is a markedly lower rate of growth than the 60-year average annual inflation-adjusted growth rate of 3.4 percent from 1948 to 2007, and lower than the revised growth rate of 2.4 percent reported for 2009.<sup>4</sup>

In 2011, the official unemployment rate was 8.9 percent—down slightly from the reported 9.6 percent rate in 2010. By comparison, the 2007 pre-recession unemployment rate was 4.6 percent.<sup>5</sup>

The Dow Jones Industrial Average rose by more than 3 percent in 2011, after adjusting for inflation, reaching 12,217. This number is still below the pre-recession level of 14,100 in 2007.<sup>6</sup>

Despite these signs of slow economic recovery in 2011, donor-advised funds saw striking growth in almost every metric, including assets under management, total

contributions, and total grant dollars (Table 1). These increases mark a second year of robust growth after declines experienced in 2009.

Of particular note:

- Assets in donor-advised fund accounts grew by \$5.5 billion in 2011; total assets under management in all donor-advised fund accounts were \$37.43 billion. This is an increase of 17.5 percent and takes total assets under management far above their 2007, pre-recession high of \$30.6 billion.
- Contributions increased to \$9.64 billion, or an increase of 10.6 percent compared with 2010 contributions.
- Grantmaking reached a new threshold, at \$7.7 billion, representing an increase of 13.6 percent compared with 2010.

**Table 1:** Donor-Advised Fund Market Overview\*

	2010	2011	% Change
Assets Under Management	\$ 31.85 Billion	\$ 37.43 Billion	17.5%
Total Contributions	\$ 8.71 Billion	\$ 9.64 Billion	10.6%
Total Grant Dollars	\$ 6.78 Billion	\$ 7.70 Billion	13.6%
Total Payout**	17.60%	17.10%	-2.9%
Total # of DAF Accounts	170,276	177,357	4.2%
Average Size of DAF Account***	\$ 187,050	\$ 211,067	12.8%

\*Values reflect data for 652 donor-advised fund sponsors, including 174 not previously tracked in the 2011 Donor-Advised Fund Report.

\*\*Payout = Grant Dollars divided by (Assets Under Management at Year End + Grant Dollars) x 100

\*\*\*DAF = Donor-Advised Fund. This average is the Assets Under Management divided by the Total Number of DAF accounts.

4. All growth percentages calculated using “GDP in billions of chained 2005 dollars” in the table for national Gross Domestic Product values released August 29, 2012 by the Bureau of Economic Analysis, [www.bea.gov](http://www.bea.gov).

5. Bureau of Labor Statistics (BLS) average unemployment rate, civilian labor force 16 years and over (percent), not seasonally adjusted, [http://www.bls.gov/cps/prev\\_yrs.htm](http://www.bls.gov/cps/prev_yrs.htm). Accessed September 18, 2012. Note that an alternative measure of unemployment is reportedly as high as 15.3 percent, when considering those underemployed or who have given up their job searches, according to measures of labor underutilization released by the BLS, also called U-6.

6. Figures taken from Dow Jones Averages, [www.djaverages.com](http://www.djaverages.com), accessed September 18, 2012.

# A Comparison of Giving Vehicles

## Donor-Advised Funds Outnumber Other Giving Vehicles

The tables below are comparisons of donor-advised fund accounts to other types of giving vehicles available. Donor-advised funds have outnumbered private foundations and the combined total of other gift planning vehicles (trusts, annuities and funds) for several years.

Table 2 shows an estimated total of 177,357 donor-advised fund accounts among all studied charitable sponsors in 2011, compared with an estimated 68,610 private foundations. The combined total of the other gift planning vehicles (unitrusts, annuity trusts, lead trusts, and income funds) was 118,787 in 2010 and 117,307 in 2011.

**Table 2:** Donor-Advised Fund Growth vs. Other Charitable Giving Vehicles (Total Number of Funds)

	2010	2011	% Change
Donor-Advised Funds	170,270	177,357	4.2%
Charitable Remainder Unitrusts (CRUT)	93,831	93,266*	-0.6%
Private Foundations**	68,211	68,610*	0.6%
Charitable Remainder Annuity Trusts (CRAT)	16,937	15,979*	-5.7%
Charitable Lead Trusts (CLT)	6,609	6,689*	1.2%
Pooled Income Funds (PIF)	1,410	1,373*	-2.6%

**Table 3:** Donor-Advised Fund Growth vs. Other Charitable Giving Vehicles (Dollar Value of Assets in Billions)

	2010	2011	% Change
Donor-Advised Funds	\$ 31.85	\$ 37.43	17.5%
Charitable Remainder Unitrusts (CRUT)	\$ 91.58	\$ 94.10*	2.8%
Private Foundations**	\$ 527.16	\$ 519.90*	-1.4%
Charitable Remainder Annuity Trusts (CRAT)	\$ 7.49	\$ 7.00*	-6.1%
Charitable Lead Trusts (CLT)	\$ 19.34	\$ 19.80*	2.5%
Pooled Income Funds	\$ 1.28	\$ 1.20*	-4.6%

\*Indicates an NPT estimate based on three-year rolling average rate of change.

\*\*The Foundation Center used the term "independent foundation" for non-corporate private foundations.

Sources: NPT Donor-Advised Fund Report for donor-advised funds, Internal Revenue Service for CRUTs, CRATs, CLTs, and PIFs, Foundation Center for foundations 2007-2008, NPT estimates for CRUTs and independent foundations 2010.



# Growth in Recent Years

Donor-advised funds grew robustly in total assets under management in 2011 and showed strong increases in annual contributions. Grants from donor-advised fund accounts rose and the number of accounts stabilized. Over the course of the past year, these changes returned donor-advised fund metrics to or substantially above pre-recession levels. In 2011, donor-advised funds reached an all-time high for assets under management and grants.

## Number of Donor-Advised Fund Accounts Saw Healthy Increase

The number of donor-advised fund accounts increased by 4.2 percent in 2011, to 177,357 (Figure 1). This is the first rate of increase above 2 percent since 2008. The number of donor-advised fund accounts at Single-Issue Charities stabilized; Community Foundations increased by 4.5 percent; and National Charities increased at a slightly slower rate, at 4.4 percent.

## Donor-Advised Fund Assets Grew 17.5%, Approached \$40 billion

Assets under management in all donor-advised fund accounts totaled \$37.43 billion, an all-time high (Figure 2 and Table 1). The reasons for this growth cannot be determined solely by the data, but changes in other metrics are certainly contributing factors. The changes in other metrics that impact total assets include a 4.2 percent growth in the number of funds, a 10.6 percent increase in contributions and a slightly lower payout rate (grantmaking).

For at least some charitable sponsors, improved asset growth from investment returns—when compared to prior years—is also a contributing factor to the growth in assets under management.

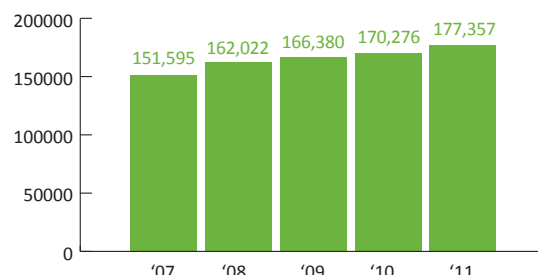
## Contributions

Contributions to donor-advised fund accounts in 2011 totaled \$9.64 billion, also an all-time high, surpassing the 2007 value of \$9.5 billion by \$114 million (Figure 3). As noted, these contributions account for 3.2 percent of all charitable giving in the United States in 2011.

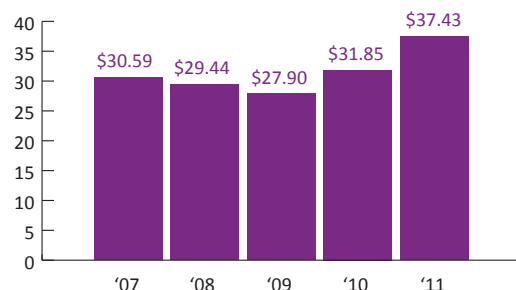
## Grant Total Reaches New High

Grants from donor-advised fund accounts reached a new high at \$7.70 billion (Table 1 and Figure 4). The growth rate compared to 2010 grants, which totaled \$6.78 billion, is 13.6 percent.

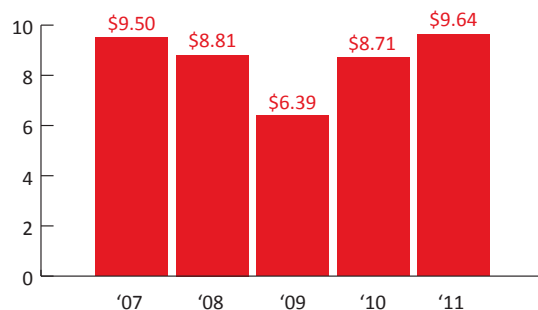
**Figure 1: Total Number of Donor-Advised Funds**



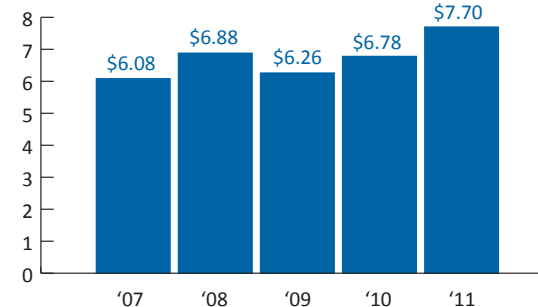
**Figure 2: Total Assets in Donor-Advised Funds (Billions)**



**Figure 3: Total Value of Contributions to Donor-Advised Funds (Billions)**



**Figure 4: Total Value of Grants from Donor-Advised Funds (Billions)**





## Average Donor-Advised Fund Account Size

The 2011 average donor-advised fund account size reached \$211,067, which is also an all-time high (Figure 5). The growth in average account size follows a 10.6 percent increase in contributions and a 4.2 percent increase in the number of donor-advised fund accounts for the same year. These figures indicate that donors added to existing donor-advised fund accounts more so than donors created new donor-advised fund accounts.

## Payout Rate

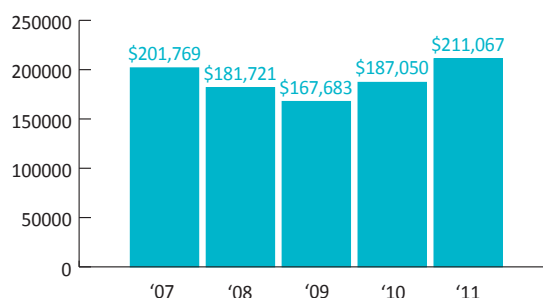
Payout rates from 2007 through 2010 exceeded 16 percent in each year. This level of grantmaking often resulted from donors who wanted to give generously through challenging economic times. For 2011, the payout rate slowed slightly to 17.1 percent. This decrease reflects the rapid rise of assets in donor-advised fund accounts and a more modest rise in grants from donor-advised fund accounts. In contrast, the payout rates at a typical private foundation hover around 5 percent including overhead—the minimum required by law—although some foundations have granting policies to ensure a higher payout rate. Donor-advised fund payout rates do not include overhead.

## Donor-Advised Fund Metrics Compared with the Dow Jones Industrial Average

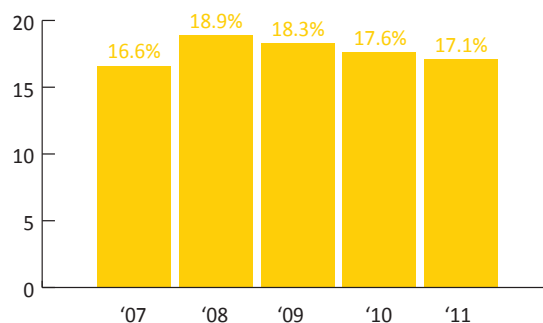
Contributions to donor-advised fund accounts—but not grantmaking from them—fluctuated with the Dow Jones Industrial Average (DJIA) between 2007 and 2011, with a one-year lag. That is, the DJIA fell sharply between 2007 and 2008, but the corresponding sharp drop in contributions to donor-advised fund accounts was the following year from 2008 to 2009. The DJIA rose from 2008 to 2009 by 18.8 percent—and contributions to donor-advised fund accounts increased from 2009 to 2010 by 36.2 percent, based on the expanded data in this edition. The DJIA increased by 5.5 percent (before adjusting for inflation) in 2011, while contributions to donor-advised fund accounts rose 11.2 percent.

In contrast to contributions, grantmaking from donor-advised fund accounts fluctuated between 2007 and 2010 and did not mirror the DJIA. When the market was down dramatically in 2008, grantmaking from donor-advised fund accounts actually increased. Like contributions, grantmaking from donor-advised fund accounts declined between 2008 and 2009, but the drop in grantmaking was substantially smaller at just 8.9 percent, compared with a 27.4 percent drop in contributions in 2009 (Figure 7).

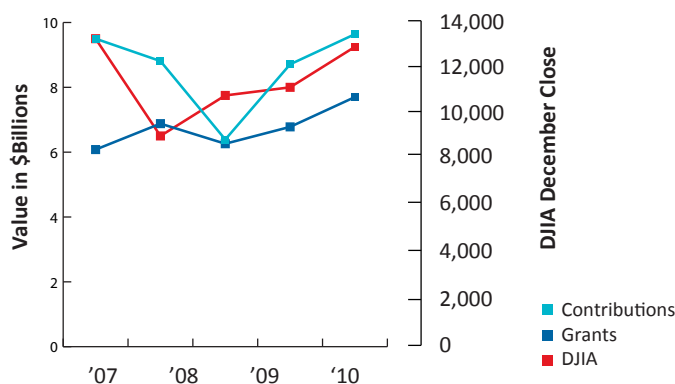
**Figure 5: Average Donor-Advised Fund Size**



**Figure 6: Average Annual Payout Rates for Donor-Advised Funds**



**Figure 7: Donor-Advised Fund Contributions and Grantmaking Compared to the Dow Jones Industrial Average**



# A Comparison of Sponsor Types

## Overview

A donor-advised fund account can be established at many types of charitable organizations. There are an estimated 1.1 million registered charities in the United States; less than 1/10th of one percent sponsor donor-advised funds. In this report, three types of sponsoring organizations are tracked: National Charities, Community Foundations, and Single-Issue Charities.

Community Foundations and Jewish Federations opened the first donor-advised fund accounts in the mid-1930s. National donor-advised fund programs began less than two decades ago. There are now more than 175,000 separate donor-advised fund accounts among the 652 fund sponsors tracked in this study.

Over time, National Charities have been growing in number of donor-advised fund accounts and assets. Community Foundations have held relatively steady in number of donor-advised fund accounts and in assets in comparison with the other two types of sponsors.

National Charities' donor-advised fund accounts outnumber the other two types of charitable sponsors, have higher asset values and distribute more grant dollars. However, because of some very large donor-advised fund accounts, the average account size at Community Foundations is higher. Single-Issue Charity sponsors have a higher payout rate than the other two types of charitable sponsors.

## National Charities

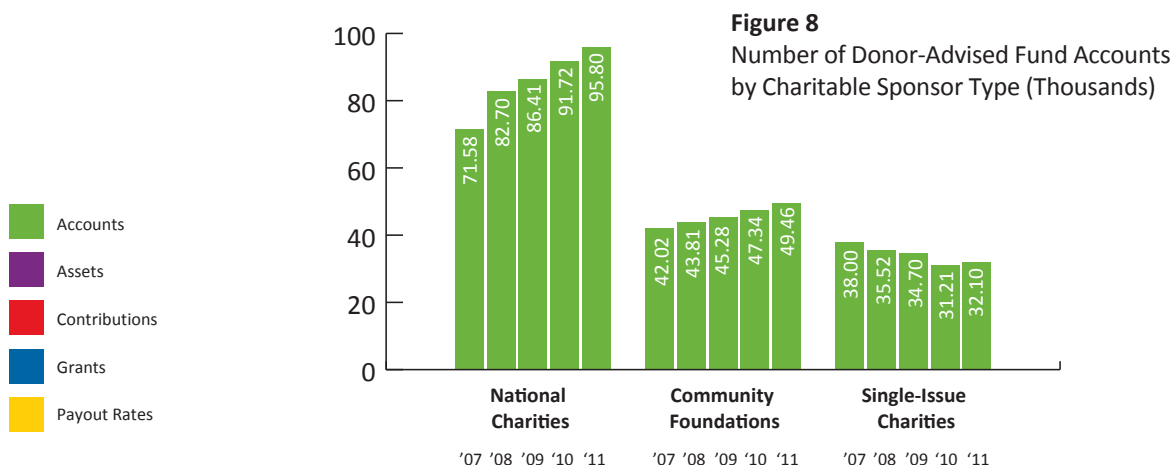
This report analyzes 2011 data for donor-advised fund contributions, grantmaking and assets at 43 National Charities. These national charitable sponsors had a combined 95,796 donor-advised fund accounts with total assets of \$15.76 billion in 2011. This is the first time assets in national donor-advised fund accounts exceeded those in donor-advised fund accounts at Community Foundations. The number of donor-advised fund accounts in National Charities began to outnumber the combined total of those at Community Foundations and Single-Issue Charities starting in 2008 and continued to do so in 2011.

## DAF Accounts

The number of donor-advised fund accounts at National Charities increased by 4.4 percent in 2011, compared with 2010, from 91,720 to 95,796. Even during the 2007-2009 recession, donors continued to create new accounts. Figure 8 shows the number of donor-advised fund accounts by type of charitable sponsor.

## Assets

From 2010 to 2011, total assets under management in donor-advised fund accounts at National Charities increased by 26.2 percent, from \$12.48 billion to \$15.76 billion. Figure 9 shows donor-advised fund assets by type of charitable sponsor.



## Contributions

Total contributions to donor-advised fund accounts at National Charities reached \$4.75 billion in 2011. This was an increase of 13.4 percent over the prior year. Figure 10 shows contributions to donor-advised fund accounts by type of charitable sponsor.

## Grants

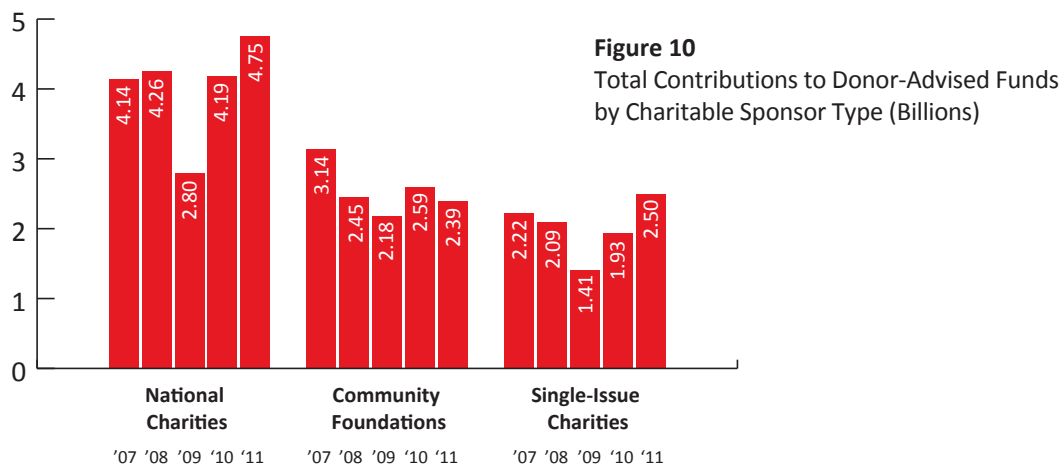
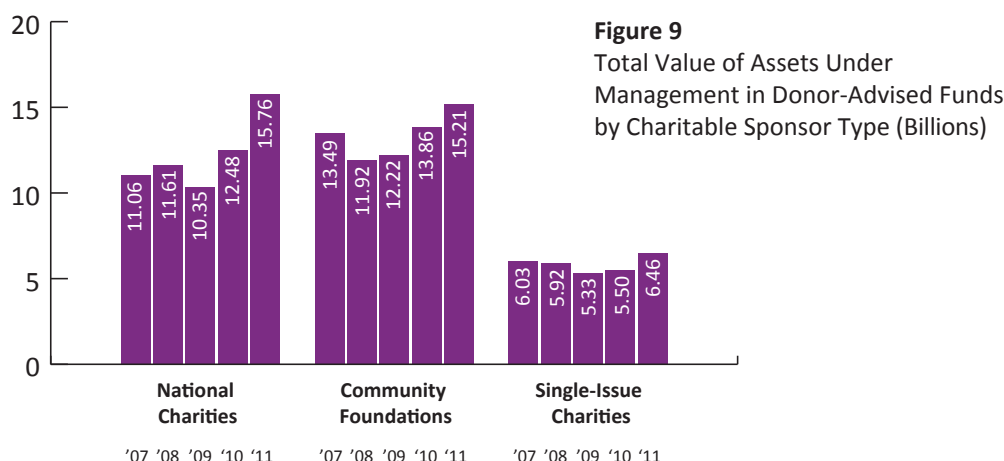
The total value of grants from donor-advised fund accounts at National Charities reached \$3.42 billion in 2011, the highest amount on record. This is an increase of 18.75 percent. Figure 11 shows the value of grants paid by type of charitable sponsor.

## Payout

The total payout rate from donor-advised fund accounts at National Charities was 17.8 percent in 2011. The slower rate reflects a return to historical levels after very high rates from 2008 to 2010. Figure 12 shows payout rates by type of charitable sponsor.

## Average DAF Account Size

The average donor-advised fund account size at National Charities rose further in 2011, driven by increased contributions and investment returns. The average account size at National Charities is \$164,530, which represents an increase of 20.9 percent compared with the 2010 average of \$136,117. Figure 13 shows the average account size by type of charitable sponsor.



# A Comparison of Sponsor Types

## Community Foundations

For 2011, this report analyzes data for donor-advised funds at 373 Community Foundations. Donor-advised fund programs at these Community Foundations have more than 49,450 donor-advised fund accounts with assets totaling \$15.21 billion.

### DAF Accounts

The number of donor-advised fund accounts at Community Foundations increased to 49,457 in 2011, an increase of 4.5 percent when compared with 2010. This follows growth in 2010 of 4.6 percent. See Figure 8.

### Assets

From 2010 to 2011, total assets in donor-advised fund accounts at Community Foundations increased by 9.7 percent, from \$13.86 billion to \$15.21 billion. See Figure 9.

### Contributions

Total contributions to donor-advised fund accounts at Community Foundations decreased to \$2.39 billion in 2011, down from \$2.59 billion in 2010. The change in contributions from 2010 to 2011 is a decrease of 7.8 percent. See Figure 10.

### Grants

Grants from donor-advised fund accounts at Community Foundations totaled \$2.17 billion in 2011, a drop from the \$2.19 billion granted in 2010. The 2011 grant total reflects a decrease in grantmaking of 1.0 percent compared with 2010. See Figure 11.

### Payout

The total payout from donor-advised fund accounts at Community Foundations was 12.5 percent in 2011, a drop from values above 13 percent from 2007 through 2010. See Figure 12.

### Average DAF Account Size

The average account size of donor-advised fund accounts at Community Foundations rose in 2011 to \$307,574. This represents an increase of 5.0 percent compared with the 2010 average of \$292,833. See Figure 13.

## Single-Issue Charities

For 2011, we analyzed data for 236 Single-Issue Charities. This type of charitable sponsor held 32,104 donor-advised fund accounts with assets of \$6.46 billion.

### DAF Accounts

The number of donor-advised fund accounts at Single-Issue Charities was 32,104. This number is an increase of 2.9 percent compared with 2010, when there were 31,213. See Figure 8.

### Assets

Total assets in donor-advised fund accounts at Single-Issue Charities rose to \$6.46 billion, an increase of 17.4 percent, from \$5.50 billion in 2010. See Figure 9.

### Contributions

Total contributions to donor-advised fund accounts at Single-Issue Charities rose to \$2.50 billion in 2011, up from \$1.93 billion in 2010. The change in contributions from 2010 to 2011 was an increase of 29.6 percent. See Figure 10.

### Grants

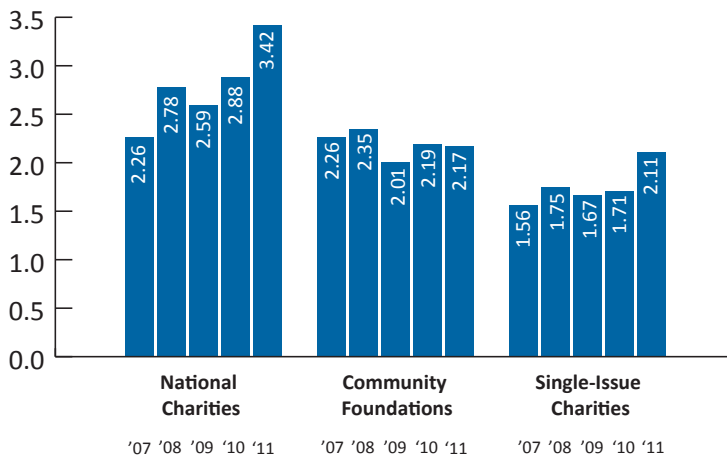
Grants from donor-advised fund accounts at Single-Issue Charities totaled \$2.11 billion in 2010, up from \$1.71 billion granted in 2010. This is a change of 24.0 percent. See Figure 11.

### Payout

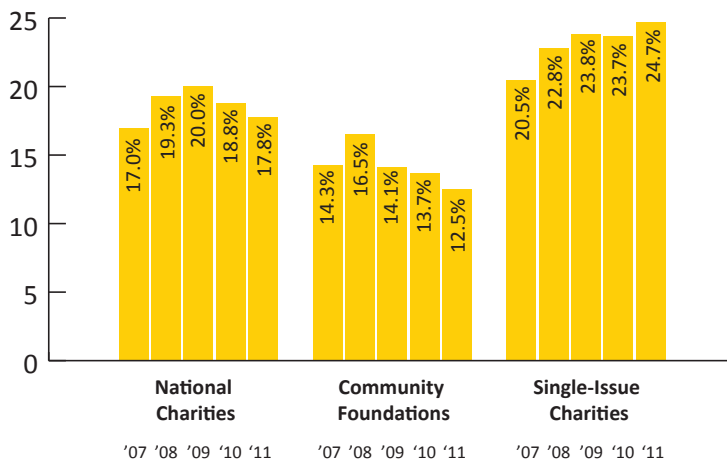
The total payout from donor-advised fund accounts at Single-Issue Charities was 24.7 percent in 2011, a bit of an increase over the payout rate of 23.7 percent in 2010. See Figure 12.

### Average DAF Account Size

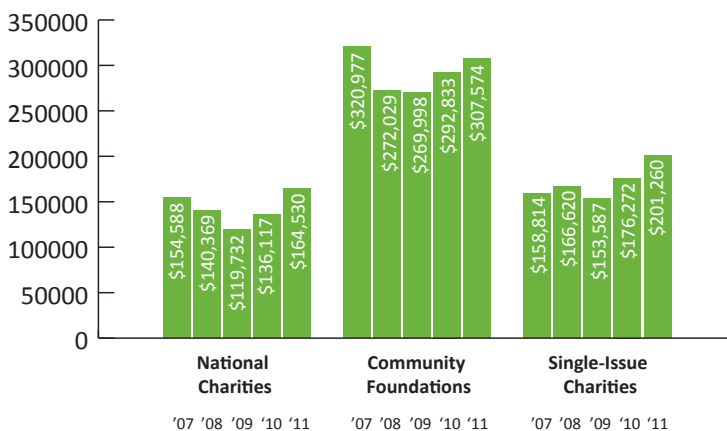
The average donor-advised fund account size at Single-Issue Charities rose in 2011 to \$201,260. This represents an increase of 14.2 percent compared with the 2010 average of \$176,272. See Figure 13.



**Figure 11**  
Total Value of Grants from Donor-Advised Funds by Charitable Sponsor Type (Billions)



**Figure 12**  
Total Payout from Donor-Advised Funds by Charitable Sponsor Type



**Figure 13**  
Average Size of Donor-Advised Fund Account by Charitable Sponsor Type (Total Assets Divided by Total Number of Accounts)

# A Comparison of Sponsor Types

## Trend Analysis

Trend analysis uses information from organizations reporting during each year of review—in this case, both 2010 and 2011. Trend analysis reflects organization-level changes instead of shifts in the entire market, thereby creating better benchmarks from year to year.

The median change is often most useful for benchmarking purposes as it shows the mid-point between the highest and lowest rate of change. An average is based on all of the values, including the very highest and the lowest, neither of which is representative of what happens for the largest number of organizations analyzed. Since a median is not influenced by the extreme values at either end, it is used often to express a central tendency or a “typical” value. This is the case in often-reported

government data, such as for household income, where there is a wide distribution between the lowest value and the highest so that an average would be skewed by the highest amount.

In this report, trend analysis of the average contributions and grants shows wide-ranging values among all donor-advised fund sponsors. For this reason, this report also includes the median values as a “typical” or middle-range metric. The wide range likely reflects new programs receiving significant contributions and making large grants while the contributions and grants at existing programs stayed relatively the same. Trend analysis also shows the average and median payout rates for all sponsors are much higher than the typical payout rate for private foundations.

### Assets

Organizations Reporting  
in either 2010 or 2011

Organizations Reporting  
in both 2010 and 2011

	Change	Average Change	Median Change
National Charities	26.2%	25.6%	16.8%
Community Foundations	9.7%	20.7%	16.2%
Single-Issue Charities	17.4%	176.5%	8.7%

### Contributions

Organizations Reporting  
in either 2010 or 2011

Organizations Reporting  
in both 2010 and 2011

	Change	Average Change	Median Change
National Charities	13.4%	63.8%	33.0%
Community Foundations	-7.8%	163.4%	16.1%
Single-Issue Charities	29.6%	187.9%	7.5%

### Grants

Organizations Reporting  
in either 2010 or 2011

Organizations Reporting  
in both 2010 and 2011

	Change	Average Change	Median Change
National Charities	18.5%	113.9%	19.8%
Community Foundations	-1.0%	28.6%	3.4%
Single-Issue Charities	24.0%	93.2%	4.6%

## Payout Rates

Organizations Reporting  
in either 2010 or 2011

Organizations Reporting  
in both 2010 and 2011

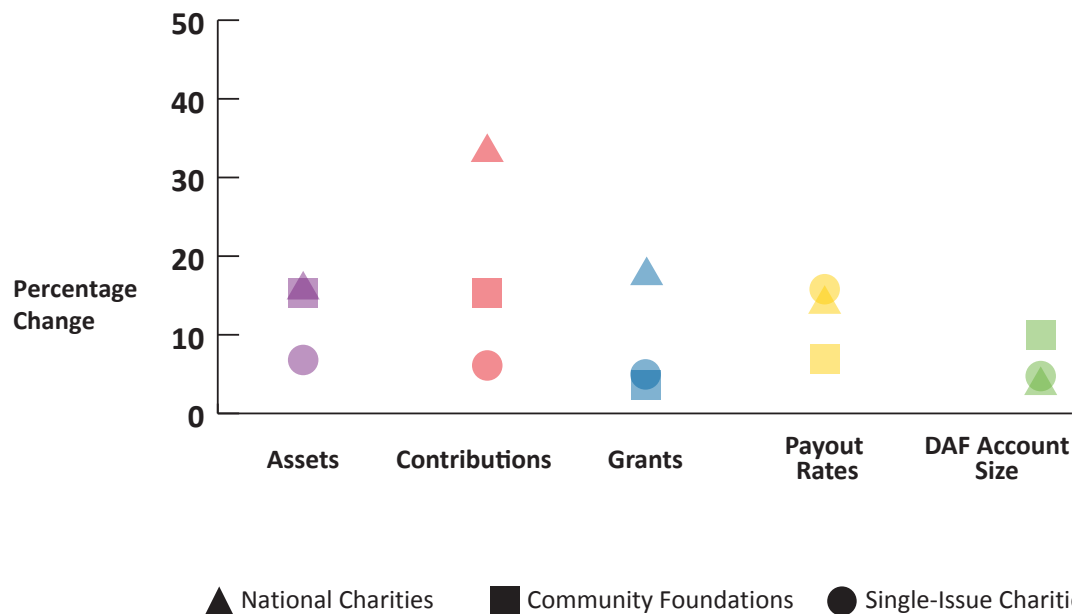
	Change	Average Change	Median Change
National Charities	17.8%	22.2%	15.6%
Community Foundations	12.5%	10.6%	9.2%
Single-Issue Charities	24.7%	25.8%	17.0%

## Average Account Size

Organizations Reporting  
in either 2010 or 2011

Organizations Reporting  
in both 2010 and 2011

	Change	Average Change	Median Change
National Charities	20.9%	11.1%	5.7%
Community Foundations	5.0%	11.8%	10.3%
Single-Issue Charities	14.2%	13.5%	7.1%



**Figure 14**  
Trend Analysis for  
All Sponsor Types  
(2010 - 2011)



# Projections and Observations

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## Comparison of Projections and Results for 2010

Last year's Donor-Advised Fund Report projected growth in all donor-advised fund metrics. Based on the 2011 data analyzed for this report, that prediction was correct. The number of donor-advised fund accounts, assets under management, contributions and grants all increased—some reaching all-time highs.

While there was growth in every metric, the rate of growth for certain metrics outpaced others. The rate of growth for contributions to donor-advised fund accounts was greater than the rate of growth for grants from donor-advised fund accounts. This difference in rates of change resulted in a lower overall payout rate. Similarly, the rate of growth for contributions was faster than the rate of growth for the number of donor-advised fund accounts. These numbers resulted in an increase in the average size of donor-advised fund accounts.

## What Lies Ahead?

Donor-advised fund growth has greatly impacted the philanthropic market, as evidenced by the fact that donor-advised funds now account for 3.2 percent of total giving in the U.S.

This surge in popularity—and an increased understanding of the features that are unique to donor-advised funds—has caused fundraisers and donors alike to reevaluate their philanthropic strategies. For charities, this now includes how to attract gifts from donors who have donor-advised fund accounts.

Based on NPT's experience and observations, there are several emerging trends that help to explain the popularity of donor-advised funds.

- The first is the increasing use of donor-advised fund accounts as complementary giving vehicles—that is, donor-advised fund accounts being used in conjunction with another charitable giving vehicle, like a private foundation, charitable remainder trust or charitable bequest. Because donor-advised fund charitable sponsors often allow a next generation to succeed the original donor, it can help extend a giving legacy well beyond a donor's lifetime.

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**Donor-advised fund growth has greatly impacted the philanthropic market, as evidenced by the fact that donor-advised funds now account for 3.2 percent of total giving in the United States.**

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- Second, NPT has observed an increase in contributions of illiquid assets to donor-advised fund accounts. Nontraditional and complex assets, such as real estate, collections, limited partnerships and alternative investments, have become an increasingly large source of wealth and thus a large source of charitable funding. Some donor-advised fund programs are equipped to help donors liquidate these assets and turn them into philanthropic dollars.
- Finally, over the last several years there has been a trend towards increased international giving. This has been reported across all giving vehicles and is in keeping with NPT's observations of increased grant recommendations to foreign countries. This trend is likely to have implications for all charitable sponsor types—and the services they offer to donors.

## Summary

Donor-advised funds have experienced substantial growth over the past several years. In fiscal year 2011, they grew in every metric—number of funds, contributions, assets and grants. National Philanthropic Trust predicts that this growth will continue and possibly accelerate in 2012. In particular, contribution and grant figures will remain high, further underscoring that donor-advised fund accounts are a significant and active giving vehicle in the charitable sector.

# Methodology: Data Sources

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## Organizations

The 2012 Donor-Advised Fund Report examined a total of 652 501(c)(3) public charities that sponsor and/or manage donor-advised fund accounts. These include the following organizations:

- National Programs: organizations that are independent or are commercially-affiliated and national in reach; not focused on a particular region; do not have a specific religious and/or focus area. Examples include National Philanthropic Trust, Fidelity Charitable Gift Fund and Renaissance Charitable Foundation.
- Community Foundations: organizations that have a specific geographic or regional focus. Examples include Cleveland Foundation, Delaware Community Foundation, Community Foundation of the Ozarks.
- Single-Issue Charities: organizations that support a specific religious faith; focus on a particular issue area or cause; or fund a specific institution. Examples include Jewish Federation of Rhode Island, San Diego Human Dignity Foundation and Stanford University.

## Primary Data Source

The primary source for each charitable sponsors' assets, contributions, grants, and total number of donor-advised fund accounts is their IRS Form 990. The Form 990 is the annual information return charities file with the Internal Revenue Service.

For those organizations that filed returns for FY2009 and FY2010, this information is found in Schedule D. For the 2011 Donor-Advised Fund Report, NPT began collecting the Employer Identification Numbers (EINs) for each charity to ensure accuracy in the collection of organization data.

For those organizations that filed returns for FY2008 this may include information found on Schedule D. For others, and those organizations that filed returns for FY2007 and FY2006, this data can be found on the following lines:

- Contributions: Line 1A
- Grants: Line 22A
- Accounts: Schedule A, Part III, Line 4D
- Assets: Schedule A, Part III, Line 4E

NPT obtained copies of Form 990 via GuideStar ([www.guidestar.org](http://www.guidestar.org)). In select cases NPT obtained copies of Form 990 from the Foundation Center's 990 finder ([www.foundationcenter.org](http://www.foundationcenter.org)), or the sponsoring charity's website.

## Secondary Sources

For FY2007-2011, the following served as secondary sources for the above data. This includes data the organization publicly disclosed and/or reported. For those organizations which filed returns for FY2005 and years prior, these served as primary sources for the above data:

- Annual donor-advised fund survey conducted by The Chronicle of Philanthropy
- The organization's annual report
- The organization's website
- The organization's audited financial statements

# Methodology: Qualifications

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## Standard Fiscal Data by Filing Year

Since organizations have varied fiscal years which may end March 31, June 30, or December 31, data was recorded in the fiscal year in which it was filed with the IRS and posted on GuideStar ([www.guidestar.org](http://www.guidestar.org)). For example, whether an organization's fiscal year ends on March 31, 2011, or December 31, 2011, the data will be recorded as 2011. This is consistent with GuideStar's reporting process in date stamping all Form 990s for the organizations' respective fiscal years.

## Continuous Data Updates

NPT significantly expanded the number of charities reviewed—from 478 to 652 organizations. These include the largest programs in all major categories—43 National Charities, 373 Community Foundations and 236 Single-Issue Charities. NPT also updated all key data points (assets under management, grants, contributions, and number of accounts) back to FY2007. NPT maintains a historical data file dating from FY2007.

## A note on comparing changes in donor-advised funds with changes in private foundations

The Foundation Center estimated in mid-2012 that independent foundation grantmaking, following that center's terminology, increased by 1.9 percent in 2011<sup>7</sup> which is substantially less than the 13.6 percent increase in grants from donor-advised fund accounts.

However, comparing annual changes in donor-advised funds with changes at private foundations can be confusing because organizations use many different reporting years. Many donor-advised fund sponsors use a July-June fiscal year, and many private foundations use a calendar year or an April-March fiscal year. When a significant economic event occurs in the last six months of a calendar year, the impact of that event will appear in different reporting years for those using a fiscal year and those using a calendar year.

## For More Information

An online version of the 2012 Donor-Advised Fund Report is available at [www.nptust.org/daf-report](http://www.nptust.org/daf-report). Hard copies are also available by request at [www.nptrust.org](http://www.nptrust.org). If you have any questions regarding the information contained in this report, or if you would like to cite or reproduce it in any fashion, please contact NPT's Director of Communications, Brian Case, at [bcase@nptrust.org](mailto:bcase@nptrust.org) or (215) 277-3010.

7. Foundation Center, Foundation Growth & Giving Estimates, June 2012 for grantmaking in 2011. [www.foundationcenter.org](http://www.foundationcenter.org).

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*National Philanthropic Trust is an independent public charity dedicated to providing expertise to donors, foundations and financial institutions, enabling them to realize their charitable giving goals through the use of donor-advised funds and supporting organizations. Founded in 1996, NPT is one of the top 25 grantmakers in the United States with over \$1 billion in assets under management. Since its inception, NPT has raised over \$2.8 billion in charitable contributions, and made over 65,000 grants to U.S. and international charities totaling \$1.6 billion.*

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